

P-461/EM-89-324APPROVING TARIFF CHANGES AND REQUIRING REFUND

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of MidAmerican  
Communication Corporation Proposing to  
Introduce City Link Plus and Virtual FX and  
to Tariff Directory Assistance Charges

ISSUE DATE: August 7, 1989

DOCKET NO. P-461/EM-89-324

ORDER APPROVING TARIFF CHANGES  
AND REQUIRING REFUND

PROCEDURAL HISTORY

On May 12, 1989 MidAmerican Communication Corporation (MidAmerican or the Company) filed a tariff change filing proposing to introduce two new pricing plans, City Link Plus and Virtual FX, and to tariff Directory Assistance charges.

The Department of Public Service (the Department) examined the filing. In consultation with the Department, the Company modified the filing to lower its proposed Directory Assistance rate and to provide for a refund of untariffed Directory Assistance rates charged between March 17, 1989 and the date the approved Directory Assistance charges go into effect. The Department recommended approval of the modified filing.

FINDINGS AND CONCLUSIONS

The New Pricing Plans

The Company proposed to offer two new pricing plans, City Link Plus and Virtual FX. Virtual FX is purely an interstate service and was mentioned in the filing for informational purposes only.

The Department and the Commission have examined the proposed rates for City Link Plus and the cost studies submitted to support them. The proposed rates are not excessive, and they do cover the incremental costs of providing the services to which they relate. They therefore meet the requirements of Minn. Stat. § 237.60, subd. 5 (1988), are just and reasonable, and should be approved.

### Directory Assistance Rates

The Company proposed a Directory Assistance rate of \$.55 per number supplied. That rate is not excessive under current conditions and does cover the incremental cost of providing the service. It therefore meets the requirements of Minn. Stat. § 237.60, subd 5 (1988), is just and reasonable, and should be approved.

The Commission notes that the rates Northwestern Bell Telephone Company should be allowed to charge other companies for Directory Assistance service are currently under examination in In the Matter of Northwestern Bell Telephone Company's Filing to Offer Intra-Number Plan Area Directory Assistance and Introduce Directory Assistance Access Charges, Docket No. P-421/M-89-101. Directory Assistance charges by Northwestern Bell make up a large portion of MidAmerican's costs of providing Directory Assistance. If Northwestern Bell's Directory Assistance charges should be reduced in that proceeding, the Company should file a new Directory Assistance tariff reflecting that reduction.

### Directory Assistance Refund

The Company has been charging untariffed rates for Directory Assistance since March 17, 1989. Telephone companies are required by law to maintain on file with the Department accurate schedules of their rates, tolls, and charges for every kind of service. Minn. Stat. § 237.07 (1988). Untariffed rates are illegal rates and are subject to refund.

The Company and the Department agree that attempting to identify each instance when untariffed Directory Assistance rates were charged and refunding those charges to the customers who paid them would probably be impossible and would certainly be prohibitively expensive. They propose instead that the Company reduce its Directory Assistance charges to \$.50 for a five-month period, thereby refunding to customers as a whole an amount roughly equivalent to the amount collected in untariffed rates.

The Commission agrees that this is a reasonable method of distributing the refund and will approve it.

## ORDER

1. The Company's proposal to offer a new pricing plan called City Link Plus is approved.
2. The Company's proposed Directory Assistance rate of \$.55 per number supplied is approved.
3. If Northwestern Bell Telephone Company's Directory Assistance charges to the Company are reduced as a result of the proceeding In the Matter of Northwestern Bell Telephone Company's Filing to Offer Intra-Number Plan Area Directory Assistance and Introduce Directory Assistance Access Charges, Docket No. P-421/M-89-101, the Company shall file a new Directory Assistance tariff reflecting such reductions within 30 days of the final Order in that docket.
4. To refund untariffed Directory Assistance rates charged between March 17, 1989 and the date tariffed Directory Assistance rates go into effect, the Company shall reduce its Directory Assistance rate to \$.50 per number supplied for a five month period beginning with the date on which tariffed Directory Assistance rates become effective.
5. The Company shall send all its Minnesota customers written notice explaining its new Directory Assistance rate and the reduced Directory Assistance rate which will be in effect during the five-month refund period.
6. Within 10 days of the date of this Order, the Company shall file with the Department new tariff pages reflecting the rates approved herein, including the Directory Assistance five month refund rate. That filing shall specify the effective date of the new rates, which shall not be later than 30 days from the date of this Order.
7. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen  
Executive Secretary

(S E A L)